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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 FSE-00 ABF-01 OPR-02 DODE-00 PM-04 H-02
L-03 PA-02 PRS-01 /105 W
----------081213Z 110260 /14
R 071900Z APR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4262
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY LIMA
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEPT OF AGRIC WASHDC

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E.O.11652:N/A
TAG: AFSP, ALOW, AFIN, ECON, CI
SUBJ: INFLATION IN MARCH

1. THE NATIONAL INSTITUTE OF STATISTICS (INE) ANNOUNCED THAT THE CONSUMER PRICE INDEX ROSE BY 6.1 PERCENT DURING MARCH. IN ITS ANNOUNCEMENT THE GOC EMPHASIZED THE SUB-STANTIAL DECREASE OF THE MARCH 1977 RATE AS COMPARED WITH THE MARCH 1976 RATE OF 13.5 PERCENT.

2. THE COST OF THE VARIOUS COMPONENTS OF THE CPI INCREASED AT THE FOLLOWING RAETES: FOOD 4.1 PERCENT, HOUSING 7.6 PERCENT, CLOTHING 8.2 PERCENT, MISCELLANEUOUS 8.7 PERCENT. COMMENT: THE HOUSING COMPONENT, WHICH IS CALCULATED QUARTERLY, DISTORTS THE MARCH INDEX SINCE IT IS INCORPORATED
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IN THE INDEX ONLY DURING THE THIRD MONTH OF EACH QUARTER. THE MARCH WAGE INCREASE OF 19 PERCENT UNDOUBTEDLY PUSHED PRICES UP BOTH AS A DIRECT RESULT OF COST INCREASES AND ALSO BECAUSE OF GREATER DEMAND. END COMMENT.

3. THE DIRECTOR OF NE, SEGIO CAHAPARRO, SERGIO CHAPARRO, ALSO ANNOUNCED THAT A FEASIBILITY STUDY IS BEING PREPARED TO REPLACE

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THE PRESENT CPI IN 1978 WITH AN INDEX WHICH WILL BE
BASED UPON A NEW MARKET BASKET.

4. COMMENT: THE ACTUAL MARCH INCREASE IS LESS THAN AN
ESTIMATE WHICH WAS PUBLISHED IN AN EL MERCURIO EDITORIAL
LAST WEEK. GOC MAY HAVE INSPIRED THIS STORY IN AN
EFFORT TO MAKE MARCH'S RATE LOOK GOOD BY COMPARISON WITH
WHAT HAD BEEN EXPECTED.

5. SINCE THE MARCH CPI MEASURES THE INCREASE IN
AVERAGE MONTHLY PRICES FROM FEBRUARY'S AVERAGE, THE
MARCH RATE ALSO CAPTURES A SIGNIFICANT PART OF FEBRUARY
INFLATION. HOWEVER, FOR THE REASON, THE FULL EFFECT ON
INFLATION RATES
OF THE MARCH 4 TEN PERCENT PESO REVALUATION IS NOT
RFLECTED IN THE MARCH CPI.
POPPER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION, RETAIL PRICE INDEXES, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770123-0173
Format: TEL
From: SANTIAGO
Handling Restrictions: n/a
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Action: RELEASED, APPROVED
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2867098
Secure: OPEN
Status: NATIVE
Subject: INFLATION IN MARCH
TAGS: ECON, EGEN, AFIN, CI
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/9d2349a8-c288-dd11-92da-001cc4696bcc
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